

# Memorandum

M-86-292  
**SUPERSEDED**

By: 18215(c)(4)

To : Advice File: Section 82015

Date : 8/19/86

From : Jeanne Pritchard  
**FAIR POLITICAL PRACTICES COMMISSION**

Subject: Advice Provided to Jacques O'Connell,  
Lieutenant Governor's Office

Mr. O'Connell asked whether costs in connection with the production and mailing of a brochure which contains references to the Lieutenant Governor and a letter from the Lieutenant Governor are in-kind contributions. The mailing is being sent by the Indo-American Association for the purpose of promoting a trade mission. The Indo-American Association is paying for the production, and the Small Business Administration is paying for the postage. The mailing consists of approximately 6,000 to 8,000 pieces which will be sent to California residents.

Conclusion: The portion of the costs of sending the mailing which are allocable to the letter from the Lieutenant Governor and to those portions of the brochure which contain a reference to the Lieutenant Governor are in-kind contributions from the Indo-American Association to the Lieutenant Governor. These costs include production costs and also postage.

The attached letter to Mike Roos explains the reasoning for the interpretation that the costs for the mailing are in-kind contributions.

With regard to the payment of postage by the Small Business Administration, in most situations, any third party which makes a payment for a mailing such as this one, is making a payment for political purposes. However, in this situation, the Small Business Administration is clearly paying for the postage as a part of its mandate as a federal government agency to implement a federal program. The payment for postage is made to further the goals of the federal agency and, therefore, is not for "political purposes."

However, the Indo-American Association's use of the postage provided to it by the Small Business Administration is for "political purposes" and, therefore, is an in-kind contribution from the Association.